MESSAG

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GOVERNOR OF PENNSYL

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JANUARY, 1840.

HARRISBURG:
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GOVERNOR OF PENNSYLVANIA

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MESSAGE.

To the Senate and House of Representatives of the Commonwealth of Pennsylvania:

FELLOW CITIZENS:—

It appears to me an appropriate occasion in transmitting to the legislature my first annual message to contemplate for a few moments, the peculiar change in the circumstances that attend its present meeting, from those which attended the meeting of the last legislature. The members of the present legislature come together in a spirit of peace and amity, to perform the various important duties confided to them by the people. Jarring and discordant interests will not, I trust, distract their councils, nor "contested elections," love of office, or reluctance to yield submission to the will of the majority, disturb their harmonious action, and shake for a time the confidence of our sister states and of the world, in the integrity and stability of our republican government itself.

The scenes witnessed at Harrisburg on the 4th day of December. 1838, and for several ensuing weeks, are too memorable to be soon forgotten. During that unfortunate period, for the first time, in the history of this commonwealth, was it deemed necessary, by those entrusted with the functions of the government, to appeal to military force, to protect the civil authorities in the discharge of their own duties, against the alleged interposition of a portion of the citizens of this commonwealth, who were present at the seat of government, as was their privilege, to witness the ceremonies of organizing the legislature. Whatever disorderly occurrences took place in the house of representatives and in the senate, on the day already named, are to be deeply regretted; but still more is it to be regretted, that these occurences found the least cause to create, or palliation to excuse them in the conduct of men, whose stations, whose duty, and whose oaths all conspired to restrain them from flagrant and wanton violations of the law and the constitution. It is a melancholy symptom of insubordination, and hostility to the restraints of social order, when even private citizens openly set at naught the laws of the land:—it is conclusive proof of a spirit worse, far worse in its tendency, when officers solemnly sworn to obey and execute the laws trample them contemptuously under foot. In doing so, they seem to forget that not only public officers, but even laws, and constitutions of government, exert their authority over a free people, only by virtue of public opin-

ion. Withdraw from them this potent support, and they fall alike powerless and unheeded.

The public officer will possess the confidence and enjoy the respect of the people, so long as his conduct is conformable to their wishes, their wants, and the law; but he will possess the one and enjoy the other no longer. The law or the constitution will remain in force, while it is believed to be capable of promoting the public happiness and public good. The moment either ceases to be productive of this result, it is subjected to the wholesome remedy of repeal or modification. The laws of nature, and the recognized principles of our own free government, point out the justice and the duty of this course.

These elementary principles should be ever present to the mind of those who are invested with authority. They would enforce the lesson inculcated by all experience, that no officer of the people can depart from his duty, and continue to command their respect and their support. They would admonish public functionaries, that those who forget them, those who determine to resist the popular will, and treat elections as if they had not taken place, must expect on the part of the people, the keenest disapprobation, the deepest popular commotion, and it may be the most fearless and patriotic defiance of their menaces and their power; against which, even legislative enactments are vain, and the bayonets of any other soldiery than those of a standing army pointless, impotent and unavailing. In such emergencies they would learn that they could put no reliance on the aid of "citizen soldiers," for they will participate in the feelings and the wrongs of their fellow citizens, and refuse obedience to those who would command them, if they consider such obedience intended to insult those feelings or aggravate those wrongs.

Our own recent experience affords abundant confirmation of these general truths. We can proudly refer to the history of Pennsylvania for proof, undoubted proof, that our republican institutions are reared on a foundation not only permanent but impregnable. We have seen them assailed, at times, by both corruption and force, by adversity and prosperity, by foreign war and domestic discord; by the independent energies of the people and the audacity of those they had entrusted with power; they have withstood all these trials, they have not been shaken, but around them have clung with a broader and firmer grasp, every feeling of affection and every principle of liberty that can animate the breasts of the American people.

But a year has elapsed since the patriot was trembling for the fate of this Commonwealth, agitated, as it seemed, to the very verge of a civil war between the people and their rulers. The danger is past—tranquility is restored—this legislature assembles as those did, composed of the fathers of the republic, under auspicious omens;

scarce a trace of the convulsion remains, except in the stern and awful lesson it has taught to all public functionaries, a lesson they will not in future dare to deride, that when a majority of the people has passed judgment on any men or any measures, it is worse than folly and desperation, to treat that judgment as if it had not been pronounced.

We are indebted to a gracious Providence for a season of general health, of abundant harvests, and for as great a measure of prosperity and blessings, as in his inscrutable wisdom, he usually bestows on the nations of the earth. Peace with foreign nations, security to our wide and extended commerce, and respect to our flag, in all seas, characterize our national relations, and demonstrate that their guardianship is reposed in faithful hands.

In performing the duty enjoined on me by the constitution, of giving to the legislature information of the state of the commonwealth, and recommending to their consideration such measures as I may judge expedient, I must, in the first place, invite your attention to our financial condition, as the subject of first importance to the people. A full exposition of the debt due by the state to the holders of the certificates of the various loans authorized by law, will appear in the following tabular statement, showing the amount of the several loans—when authorized—when due—for what purposes made and the annual interest thereon.

STATE LOANS.

Nature of Loans.	*Dates of Acts authorizing.*	*When reimbursable.*	*Amount.*
Stock Loan	2d April 1821	1 June 1841	$930,000 00
do do	30 March 1824	1 January 1839*	220,000 00
do do	30 March 1824	1 May 1839*	380,000 00
do do	11 April 1825	1 January 1840*	150,000 00
do do	1 April 1826	1 Decem'r 1846	300,000 00
do do	9 April 1827	1 Decem'r 1850	1,000,000 00
do do	24 March 1828	1 Decem'r 1853	2,000,000 00
do do	18 December 1828	1 January 1854	800,000 00
do do	22 April 1829	1 Decem'r 1854	2,200,000 00
do do	7 December 1829 and 4 January 1831	1 May 1839*	90,000 00
		1 May 1844	62,500 00
		1 April 1847	50,000 00
do do	13 March 1830	4 March 1858	4,000,000 00
do do	21 March 1831	1 July 1856	2,483,161 88
do do	30 March 1831	1 July 1856	300,000 00
do do	30 March 1832	1 July 1860	2,348,680 00
do do	5 April 1832	1 July 1860	300,000 00
do do	16 February 1833	1 July 1858	2,540,661 44
do do	27 March 1823	1 July 1858	580,000 00
do do	5 April 1834	1 July 1862	2,265,400 00
do do	13 April 1835	1 July 1865	959,600 00
Loan for eastern penitentiary.	28 March 9 April 1831 and 1833	28 March 1861	120,000 00

Nature of loans.	*Date of Acts Authorizing.*		*When reimbursable.*		*Amount.*
Loan for Union canal company.	1 March and 16 December	1833	10 April	1863	200,000 00
Temp'ry loan for E. & N. B. Ex.	Res. 16 June	1836		*	200,000 00
Temporary loan.	12 Sec. act 14 April	1838		*	600,000 00
do do	3 Sec. do	de		*	200,000 00
Stock loan.	26 January	1839	1 July	1859	1,200,000 00
do do	9 February	1839	1 July	1864	1,280,000 00
do do	16 March	1839	1 July	1864	100,000 00
do do	Res. 27 March	1839	1 July	1868	470,000 00
do do	Act 7 June	1839	1 July	1859	50,000 00
do do	27 June	1839	1 July	1864	1,150,000 00
Temporary loan.	27 June	1839	1 March	1840	220,000 00
Stock do	19 July	1839	1 July	1868	2,054,000 00
					$31,754,003 32

By the loans authorized since the 15th January 1839, provision has been made for the payment of prior loans falling due before the meeting of the legislature in 1840 marked thus * in the above table, and amounting to 1,840,000 00

Whole amount of state loans bearing interest at 5 per cent. per annum except $200,000 00 which bears 4½ per cent. $29,914,003 32

The following state debts do not bear interest.

There was due on the 15th January, 1839, by appropriations to internal improvement purposes —miscellaneous objects &c. (See state treasurers report, Journal H. R. 1838–9, vol. 2, page 11, the sum of		$2,076,786 87	
There has been paid on this account by loans authorized at the last session	457,750 00		
Out of funds of treasury	258,891 17	716,641 17	
Leaving the sum of			1,360,145 70
Due United States on account of surplus revenue			2,867,514 78
Aggregate amount of state debt			$34,141,663 80

Abstract of the appropriations of the loans authorized since the 15th January, 1839.

To pay interest on the public debt,	$822,250 00	
To pay temporary and stock loans,	1,840,000 00	
To pay debts due on appropriations previously made to various internal improvements,	457,750 00	
To pay repairs of the Huntingdon breach	380,000 00	
To pay repairs of the canal and railways,	705,000 00	
To pay for avoiding Columbia inclined plane,	69,000 00	
To pay old debts,	145,000 00	
To pay damages, new work on old lines, canal commissioners, &c.	105,000 00	
To pay for locomotives, ropes, &c. for railways,	100,000 00	
To pay on account reservoirs Portage railway,	70,000 00	
		4,694,000 00

Towards completing public works commenced in 1836.

North Branch extension,	630,000 00	
Erie extension,	800,000 00	
Sinnemahoning extension,	30,000 00	
Wiconisco canal,	190,000 00	
		1,650,000 00

Towards the following improvements:

Survey rail road Harrisbnrg to Pittsburg,	$30,000 00	
Stock in Franklin rail road,	100,000 00	
do in Pennsylvania and Ohio canal,	50,000 00	
		180,000 00
Whole amount of loans authorized at the last session,		$6,524,000 00

It thus appears that the state debt amounts to the vast sum of $34,141,663 80—of which the sum of $29,914,003 32 being due upon state loans bears an annual interest of $1,494,700 16.

This aggregate state debt (with the exception of $180,000 00, appropriated at the last session of the legislature to the survey of a railway from Harrisburg to Pittsburg—to stock in the Franklin rail road, and to stock in the Pennsylvania and Ohio canal, as above stated) was contracted *prior* to the 15th January, 1839, the day of my inauguration. It is true that the sum of $6,524,000 00 was authorized to be borrowed since that period—but the whole of this large

amount (with the above exception) was appropriated to the payment of debts and liabilities due, and falling due, in the year 1839, for the payment of which no provision had been made when I entered upon the duties of my office.

It is evident from this simple statement of the public debt, that whatever may be its amount, or whatever the inconvenience we suffer from it, none of the responsibility rests upon me. All the additions that have been made to it, since I came into office, have been either to pay debts already due, or to prosecute contracts for works then commenced and in a state so forward, as to forbid their abandonment. This public debt has been contracted under full authority of law. The faith and honor of the people are pledged, in the most solemn manner, to the payment of the interest annually accruing, and to the final payment of the principal. Every consideration of duty, integrity and national fidelity, binds us to the honest performance of our part of the bargain with the holders of the certificates of our loans. It is immaterial whether we received these loans in paper money, or in gold and silver; whether in merchandize, railroad iron, or any other commodity;—we have received a consideration in something; we have issued the certificates of stock, and we must abide by the contracts which we ourselves invited others to make with us, and ratified in all due forms of law.

I stated in my inaugural address, that I believed although the state debt was large, and a considerable portion of it had been incurred by injudicious legislation and expenditure, yet that I was convinced the public improvements constructed by it, and the general increase of the value of the property in the commonwealth, were fully equal to the whole amount of the debt. I still entertain the same opinion, but in submitting to your consideration a statement of the resources of the commonwealth, I feel it to be incumbent on me to exhibit the actual productiveness of our internal improvements, in a light somewhat less flattering, than that in which it has usually appeared. I am constrained to pursue this course by a high sense of duty, and not by any desire to arouse hostility against them, or to weaken the confidence of the public in their ultimate value and utility. It has been customary, hitherto, to state the gross amount of tolls derived from our canals and railroads, in such a manner as to convey the impression that they yielded that sum, clear of all deductions for management and repairs. The constant yearly increase of tolls has served as a powerful stimulant to the prosecution and extension of the entire system of our improvements. Men of sanguine feelings have confidently looked forward to an early day, on which the tolls arising from our improvements would not only pay the interest on the whole state debt, but yield, in addition, a large surplus to be applied to the extinguishment of the principal. Local interest, and ardent public enterprise, readily concurred in this opinion. We had embarked in the system too deeply, both in pecuniary investments, and in state pride, to turn back. The great

undertaking must go through;—we had pledged our faith, our firmness and our ability to that effort, and we gathered hope and confidence wherever they could be found. It is not surprising, therefore, that our governors, legislators and people, have deceived themselves, and deceived each other, in pursuit of this favorite object. It forms no just ground of censure against the active supporters of our system of internal improvements, that they have fallen short,—far short; of public expectation, in the amount of revenue they afford. The time may perhaps arive, at no very distant day, when the increase of our population, business and wealth, will enable us to realize the flattering anticipations of the early friends of the system; among whom, as an unwavering advocate and supporter of that system, on judicious principles, I am proud to claim a rank. It is immaterial what we had hoped, or what we now desire, on this subject; it is our duty as prudent and faithful guardians of the public interests, to examine it with candor, and to act upon it without concealment or fear.

If the income derived from our public improvements is less in fact, than has been generally represented and supposed, the present is the time above all others, when it should be made known, and measures be adopted to meet the deficiency. The following tabular statements show the amount received from tolls and from motive power, during each of the last five years; the amount expended for motive power, repairs and management for the same time, and similar estimates of tolls and expenditures for the ensuing year, to wit:

1835. Tolls received, - - -	$597,631 67		
" " From motive power,	86,726 10		
	$684,357 77		
Repairs and cost of motive power,	431,626 10		
		$252,731	67
1836. Tolls received, - - - -	$671,849 74		
" " From motive power,	166,281 04		
	838,130 78		
Repairs and cost of motive power,	551,024 63		
		$287,106	15
1837. Tolls received, - - -	$758,765 12		
" " From motive power,	216,585 37		
	975,350 49		
Repairs and cost of motive power,	883,516 86		
		$91,833	63
1838. Tolls received, - - - -	$721.458 70		
" " From motive power,	244,570 94		
	966,029 64		

Repairs and cost of motive power,	1,069,657 71	
Deficit, - - -	103,628 07	
To which deficiency for said year may be added for debts due and unpaid, the sum of - - - -	275,000 00	
	$378,628 07	
1839. Tolls received, - - -	821,780 58	
" " From motive power,	280,123 53	
	1,101,904 11	
Repairs and cost of motive power,	656,460 32	
		$445,443 79

For this year the sum of $100,000 was appropriated to the support of motive power, but of this, only five or six thousand dollars have been expended.

Thus it appears from these statements, that the tolls for the present year, exceed the amount of expenditures for motive power, repairs and management, only $445,443 79. The tolls for the last five years, though gradually increasing, only exceed the expenditures on the lines from which they are derived $698,587 17—and in fact, in the year 1838, fell short of meeting the expenditures $378,628 07, including the deficiency and debts due at the end of the year.—And if the public works be put in a situation, available for the business of the coming year, the estimated tolls will not more than equal the estimated expenditures. It is perhaps due to the public improvements to state, that, after payment of repairs and all expenditures upon them, the tolls for the year 1839, thus appear, to have exceeded the tolls for the year 1838, the sum of $824,071 86. I refer you to the detailed report of the Canal Commissioners for such further information on this subject, as may be essential to a full understanding of it.

The ordinary resources of the commonwealth arising from all revenues payable into the treasury, together with an estimate of the whole amount of public property, will appear from the following tabular statements:

Abstract of the ordinary revenue of the State in 1839.

Canal and railway tolls,	$821,780 58
Auction commissions and auction duties,	101,728 61
Collateral inheritance tax,	35,908 78
Dividends on bank stock,	166,079 50
Do turnpike, bridge and navigation stock,	41,017 70
Land and land office fees,	46,594 95
Tax on bank dividends,	133,440 78

Tax on certain offices,	2,882 90
Tax on writs, &c.	26,652 56
Tavern licenses,	49,027 77
Retailers' licenses,	68,202 97
Tax on loan companies,	2,240 00
Escheats,	3,020 24
Bank charters,	100,000 00
Hawkers and pedlars licenses,	3,925 15
Miscellaneous,	18,617 35
	$1,621,119 84

Abstract of the ordinary expenditures of the State in 1839.

Expenses of government,	$412,751 63
Repairs—canal and railways,	376,336 79
Militia expenses,	25,981 17
Guarantee of interest,	24,562 22
Pensions and gratuities,	53,588 74
Common schools, colleges, &c.	385,253 14
House of Refuge,	5,000 00
Penitentiaries, eastern and western,	30,826 54
Interest on loans,	1,296,010 24
Pay of collecters, lock-keepers, &c.	70,000 60
Miscellaneous,	28,552 40
	$2,708,863 47

PUBLIC PROPERTY.

Bank stock,	$2,108,700 00
Turnpike and bridge stock,	2,821,215 88
Canal and navigation stock,	602,579 91
Rail road stock,	327,368 03
Public works, canals, railways, &c.	26,399,220 56
Money due on land, estimated,	1,000,000 00
	$33,259,085 28

The public improvements are estimated at their original cost, and the bank and rail road stock owned by the state, at its par value. It will be obvious that this estimate has relation to the ultimate value of all (except the bank stock) and not the present available value which this public property may bear.

On a recapitulation of the foregoiug statements, it appears from them that the public debt amounts to the sum of $34,141,663 80
The public property to 33,259,085 28

Balance, $882,578 52

The ordinary expenditures of the commonwealth for all purposes for the last year, are	$2,708,863 47
The ordinary revenue from all sources for the same year, amounts to	1,621,119 84
Leaving a gross balance against the state of	$1,087,743 63

The affairs of the commonwealth have been for several years gradually verging on towards deeper and deeper embarrassment, until we have at length reached this unexpected deficiency of funds in the treasury, to meet the demands upon it. The people have been told, again and again, that our fiscal condition was flourishing and prosperous, while in fact, our prosperity was all based on paper calculations and loans, which loans, we are just now beginning to perceive, bear interest, and are some day to be paid. We are now compelled to forego all temporary expedients, and to look the true state of things in the face. We must resort to taxes, the sale of the public improvements, or to further loans. The public improvements cannot be sold but at a most ruinous sacrifice; and as to loans, it is doubtful whether we can procure them at all, unless at an unwarranted rate of interest. Nothwithstanding all these difficulties, this sum due by the state must be paid. To obtain the means we have at the best, a choice of evils; and we ought to select that which will impose on the people of the commonwealth least inconvenience and detriment. I shall recur to this subject again, in a subsequent part of this message.

In this state of things the recent conduct of the banks in this commonwealth, has added in no slight degree, to our embarrassments. On the 10th day of October, last, the banks of the city of Philadelphia suspended, wholly, or in a great measure, the payment of their notes and other liabilities, in specie. Most of the banks in the interior speedily followed their example, as did also the banks in nearly all the other states of the Union. But the banks of the state of New York, and a few others, favoured by peculiar circumstances, or influenced by other causes, have been able to withstand the current of demand, and have continued to pay specie until the present time. This suspension was an event unlooked for by the public, and productive of the most unhappy results. It has paralized business,—shaken both state and individual credit,—crippled all our monetary operations, and struck a death blow at the means of subsistence possessed by that portion of our fellow citizens, whose labor and industry form their only capital. From all classes of the community, save those alone who are interested in the banks, was heard a loud and deep condemnation of this measure. Innumerable remedies have been suggested,—some looking to the regulation of these institutions, others to their punishment and extirpation. I was besought to convene the legislature at an earlier day than that fixed by the constitution, and very numerous conflicting suggestions have been offered, as to the measures of relief that should be recommended.

On a subject so vitally interesting to the people at large, as that of the currency, I was persuaded that hasty legislation was neither prudent nor desirable; and I accordingly declined to convene you before the day designated in the constitution. Time for reflection, time for further experience, and time to ascertain the general wants and wishes of the people, has thus been afforded, and I confidently trust, that nothing will be lost by the delay.

One of the great evils of a suspension of specie payments by the banks, is the vast amount of small notes issued without authority of law, by individuals and corporations, that is immediately forced into circulation, to supply the place of the specie, for purposes of small change. This debasement of the currency aggravated the consequences of the suspension in 1837. It ended in great losses to the public and in multiplied frauds. Satisfied that the same evils would again be experienced, I immediately caused the Attorney General to adopt proper measures to bring to justice all offenders against the law prohibiting the issue and circulation of notes below the denomination of five dollars; and I am happy to state to you that this measure was entirely adequate to the suppression of the issue of any notes of that description, in the commonwealth. Ample arrangements had been made, as I am informed, to throw into circulation a large amount of this spurious currency, but they were instantly arrested by the prompt and energetic action of the Attorney General; and public opinion, with an unexampled unanimity, sanctioned the measure, and crowned it with success. It is true, in the counties of the commonwealth bordering on states that allow the issue of small notes, it has been impracticable to restrain altogether their circulation, still very few of them have found their way into the central part of the state. I shall call your attention to this subject again in another part of this message.

The active currency of Pennsylvania, and of the whole Union, is composed mainly of bank notes. These notes are made payable on demand in specie; and while they continue to be so paid, no great danger of loss to the community can arise. The history of all bank operations shows, that while their notes are redeemable, and actually paid in specie when presented at the counter, an over-issue to any considerable extent, cannot easily take place. It is only when notes are issued to such an amount, or when other obligations are incurred by the banks so great as to prevent them from meeting these demands with specie, that they may be considered in an unsound state, and the public in danger of suffering loss from the circulation of their notes. It is manifest therefore, that the suspension of specie payments by the banks, is the precise act above all others, that renders them unsafe and dangerous to the public—and the one which in future, ought to be most strictly guarded against by law. It is true it does not always follow that banks are unsound and unable to pay all demands against them, because they do not pay specie for their notes; yet

unless explained to have been caused by some other means than the unsoundness of the institutions it must operate much to the prejudice of their credit and standing.

In Pennsylvania there are fifty-two banks, with an aggregate capital of something more than sixty millions of dollars; but such has been the disregard of law by some of them, that they have not made any return; and the returns made by several of them, are so very imperfect, that it is impossible to arrive at any thing like accuracy as to the amount of their circulation, specie or debts due to them. But from the best data within my reach, the amount of their notes in circulation may be computed at not less than thirty-three millions of dollars, and the amount due and owing to them, principally by corporations and citizens of this commonwealth, is perhaps about seventy millions of dollars. This amount is due to these banks from individuals residing in all sections of the state, and engaged in all kinds of business. Stocks in our rail roads, canals, turnpikes, &c. are held by some of these banks, and in the shape of subscriptions, bonuses, or dividends, they contribute largely to the general fund in the state Treasury, and to the support of the common school system. Their charters expire at various periods between the present time and 1870, and the stock in them is owned by a great number of persons of all ages, classes, conditions and pecuniary means. The capitalists of the country, as well as those of moderate means, widows, orphans, and guardians, all own stock in our several banking institutions. From this cursory glance at the subject, it is evident, that the business, interests, and banking institutions of the country, are intimately connected together, and mutually exert a powerful influence on each other.

A more general and comprehensive view of this subject will show, that the banking system has been greatly extended throughout the whole union within the last twenty years,—certainly to a greater degree, than the vastly increased business of all kinds would have seemed to warrant. The following tabular statement of the number of banks in the United States, with their capitals, loans, discounts, circulation and specie, at three different periods, will illustrate, with great force, the progress of the system. It is manifest that the number of banks, with a corresponding increase of capital and circulation, has been fearfully augmented within a few years. Pennsylvania has contributed her full share, since 1835, to this increase.

Years	No.	Capital	Loans & Discounts	Circulation	Specie
1820	308	$137,110,611	$189,252,422	$44,863,344	$19,820,240
1830	330	145,192,268	200,451,214	61,323,896	22,144,917
1837	634	290,772,091	525,115,702	149,185,890	37,915,340

It is sometimes said, that the whole banking system is but "an experiment," and that as such, it has failed to answer the expectations of its projectors; that it is time it was totally abrogated, and that Pennsylvania ought to take the lead in this great work of

reform. It is certainly true, that the banking system of the United States is so far a mere experiment, as to be found in a state of constant change and fluctuation. No great elementary principles have yet been struck out by experience, to form a sound and stable basis to uphold and control it. Like the banking systems of all other parts of the world, imperfection characterizes nearly all its details, and abuses of the most flagrant sort have been coeval with its first establishment.

In legislating on this subject, however, we cannot close our eyes to the peculiar condition of the country. We must take things as we find them. We are not considering what would be the proper course if we were now about to introduce, for the first time, a system of banking in Pennsylvania. That question was settled long ago, and by a constant and rapid progression it has been entwining itself with every interest, and every measure of policy in this commonwealth. It has, for good or for evil, stamped its influence on every commereial, manufacturing, and agricultural interest among our citizens. Under the operation of this system, and on the faith of its continuance, in some form, all our business has been undertaken, our contracts between individuals entered into, and their debts contracted,—our internal improvements commenced, and our vast state debt fastened on the people. Abrogate the entire system, and we know not into what condition it will plunge us. Real estate and all commodities of commerce, agriculture and manufactures, now bearing the highest paper price, must fall greatly in value, and by that fall in price, thousands of the enterprising and industrious of our fellow-citizens will be irretrievably ruined. The ten years immediately following the last war with Great Britain, furnish us some instructive lessons on this subject, though very inadequate to portray the consequences that would follow the same causes in our present situation. And what heightens the evils anticipated, is the reflection, that the poor, and those in moderate circumstances, would be obliged to endure the brunt of the hardships. The rich, being the creditors, have little to fear from such change in our system of currency; it is the debtor part of the community on whom the chief burden is cast. In adopting coercive measures against the banks, it should not be forgotten, that the penal consequences do not fall on them alone. The vast number of individuals, from whom so many millions are due to those institutions, would feel most oppressively the blow. Nor would it be right or just to cast the great mass of innocent stockholders, beyond the pale of legislative protection. The officers and directors, who are in fact chargeable with most, if not the entire blame, would readily screen themselves from it, elude the laws, take care of themselves, profit by the sufferings and losses of the innocent, and leave those to perish, who had little, if any, active agency in producing the present state of things. This is a matter worthy of your most serious and deliberate consideration.

On reference to the history of all commercial nations, it will be found that every considerable fluctuation in the currency, operates directly, and with greatest severity, on the laboring part of the community. While currency is in a state of transition, from a cheaper to a dearer medium, the prices of wages are first affected, without an immediate corresponding change in the price of the necessaries of life. Those who carry on extensive business operations of all kinds, are soon compelled to curtail or stop, and numerous industrious operatives are thrown out of employment, or compelled to resort to other occupations, that they do not undestand, for the means of supporting their families. Besides, though Pennsylvania might abrogate her banking system altogether, yet we have no assurance that other states would follow her example. It would be difficult, if not impossible, to prohibit their bank notes from circulation among us, and we should thus suffer the worst evils of the banking system, without its benefits; for the banks of other states would be situated beyond the reach of our legislation and control. I know of no other mode of securing uniform and cotemporaneous action, on this important subject, among all the states of the Union, except through the agency of the general government; which, if not already possessed of the power necessary for that purpose, should be clothed with it, by an amendment of the constitution.

There is an essential difference between the position of the citizens of our commonwealth, in a pecuniary point of view, now, and that which characterized it in the years 1816, 1817, 1818, &c. It is true that then, as now, the country was flooded with foreign goods, which low duties and credit upon those duties, enabled foreigners to introduce, and thus create a large debt abroad. It is also true, that then, as now, the banking capital, banking facilities, and bank issues, were increased beyond what the necessities of the country for the healthful transaction of its business required. But then the spirit of speculation had infected the agricultural, as well as all other portions of the community. Now, however, our farmers are generally out of debt, and in flourishing circumstances; and it is the mercantile and manufacturing classes that have been principally suffering by the undue expansion of the credit system. But there is now an evil existing, of which we then knew nothing, and which does more than counterbalance the partial exemption from suffering of our agricultural interest. The contraction of enormous foreign debts by the states for the purpose of internal improvements, and for the establishment of banks, &c., is of comparatively recent origin. This system of pledging the property and industry of posterity, for the payment of money obtained by the present generation, in each state, has chiefly grown up since the year 1820,—and as the following statement, which I believe to be essentially correct, will show, has been surprizingly on the advance during the last four or five years. The amount of stock authorized to be created by eighteen

states, in each period of five years, from 1820 to 1838, was as follows, viz:—

From	1820 to 1825	$12,790,728 00
"	1825 to 1830	13,679,689 00
"	1830 to 1835	40,002,769 00
"	1835 to 1838 say 3½ years,	108,223,808 00
		$174,696,994 00

This statement embraces all the stocks authorized to be issued up to, and including all but the last session of each state legislature. A correct statement of the stocks authorized to be issued, by all the states except our own, at the last session of their legislatures, I have been unable to procure. Of the foregoing stocks, it appears from the best inquiry I can make, that the following amounts have been obtained for the several objects stated, viz:

For banking,	$52,640,000 00
For canals,	60,201,551 00
For rail roads,	42,871,084 00
For turnpikes and Macadamized roads	6,618,958 00
For miscellaneous objects,	8,474,684 00
	$170,806,277 00

If we add to the above enormous amount of state stocks, owned almost entirely abroad, the post notes and bonds issued by banks, cities, rail road, canal and trust companies, and other corporations, to holders residing in Europe, we shall probably have a grand total of at least *two hundred and twenty millions of dollars*, bearing an annual interest of about *twelve millions* of dollars. This latter sum must be paid to the European holders in specie, or its equivalent, and may be justly regarded as one of the principal causes of our present monetary derangements. Little immediate relief can be expected from our exports. During the last few years, they have been found totally inadequate to cover the heavy importations into this country. From 1820 to 1830, the imports into the United States, exceeded the exports therefrom, annually about the average sum of *three and a half millions* of dollars. Since the year 1830, our imports, including gold and silver coin, have exceeded our exports about *twenty-four millions of dollars*, per year. It is perfectly clear that this system of operations must speedily end in the effectual prostration of our credit, business, and resources. No nation, whatever may be its industry, vigor, and natural advantages, can maintain its prosperity and independence against such oppressive drawbacks as this is. It is true the public debt of Great Britain is a manifold greater one than this, comparing the population and resources of the two nations; but the debt of Great Britian, is chiefly due to its own subjects; the interest paid is retained at home, and continues to form a part of the capital of the country. The interest we pay, on the contrary, is paid to

foreigners. It is withdrawn from among us, never to return unless in the shape of new loans, to augment the drains on our capital.

Much has been said and written on the subject of our "credit system," within a few years past. It is one of unqualified eulogy by some, and of as unqualified condemnation by others. By many, the banks have been regarded as the authors of that system, and of course of all mischiefs; and by others, as of course, the authors of all good. It is somewhat astonishing, that this novel system of constructing canals and rail roads, and of building towns and cities, and establishing banks by the instrumentality of state credit, as if done by magic, has not been accredited as one of the most potent agents in producing many of the recent phases and phenomena of the credit system. Had it not been for the support of credit, afforded to our bank speculators and merchants, by the sale of state stocks abroad, feeble and vain would have been the efforts of the banks to have created and sustained such an extent of paper circulation as we now find in the country—equally feeble and vain would have been the efforts of speculators to have procured such heavy amounts of foreign capital, to employ for purposes of wild speculation, and of our merchants to procure such unprecedented credits as have filled every store-house in this country, with goods and wares not paid for, while lying upon interest unsold. Did the amount to be loaned to our banks by foreign capitalists, and to be trusted to our merchants by foreign manufacturers, depend on the mere credit of the banks, or the merchants themselves, it could rarely exceed one year's excess of importation, or about twenty millions of dollars. But when the sovereign states volunteer as endorsers for the banks and corporations, and in effect draw their bills of exchange, by furnishing certificates of loans in favor of the merchants, this credit system becomes immeasurably extended, until it has at length reached to the astounding sum of more than *two hundred millions of dollars*.

The banks have acted as the brokers, on a large scale, through whose agency the state loans have been negotiated with foreign capitalists. But let the legislatures of the several states creating loans take to themselves the honor and responsibility of furnishing the chief aliment, to sustain our cumberous credit system. It is no doubt true, that the inordinate increase of banks of late years, has been partly produced by the immense accumulation of state credits, and has, in some degree, stimulated the action of the legislatures of the several states, in authorizing the same, by affording agents to negotiate and customers to consume, the avails of the stocks, when negociated.

Until within the last year, we have been able, not only, to borrow money, without difficulty, on state stock in Europe, but to pay the interest arising on former loans, by new ones. We felt little of the inconveniences of this bloated system of credits, and seldom reflected that a day of reckoning would come, when we could thus pay our debts no longer. States, banks, corporations and individuals, all moved forward in harmonious unison, borrowing all they could, and

wherever they could, without reference to their future ability and means of re-payment. The delusion is at last over. State stocks are now an unsaleable drug in foreign markets, and we are called upon for the interest on our permanent loans, and have no means of paying it, unless we export specie, rely on the remote avails of our agricultural productions, or dispose of more state stock, at a ruinous sacrifice, if indeed we can dispose of it at all.

The time for sober reflection has arrived, and the different states must now determine whether they will, or not, persist in a course of policy which has thus far been productive of such serious evils. Shall the states of this Union, plunge deeper into debt and embarrassment, or shall they make economy and prudence their motto, resolve to extricate themselves, as soon as possible, and be free? This is the question, and I trust Pennsylvania is ready to take her stand with those who follow the dictates of prudence and economy.

A system of credit, acted on with caution, and sound judgment, is not only wise and judicious, but indispensable to an enlightened business community. The honesty, industry, and capacity of a poor man, is his only capital, and unless it gives him credit where he is known, there is little practical difference between the condition of the honest and dishonest, the capable and the ignorant man. The station of men in society, on the opposite principle, would be fixed by their birth, and merit would be regarded as a bootless qualification. This is not the doctrine of nature, or of our Declaration of Independence, and American system of government.

The credit system will be seldom abused in the case of individuals; but not so in that of corporations and governments. When men judge in their individual relations, they weigh things well,—when as members of corporations and governments, their caution corresponds with their share of the responsibility. Our present condition illustrates the truth of this position, and calls aloud on the representatives of the people to pause and reflect. Let no more state debts, not indispensibly necessary to preserve the faith and honor of the states, be contracted; let no certificates of loan be issued, and no commercial commodities be imported for a few years. We will thus overcome our present difficulties, and re-establish our credit at home and abroad. This is the only course dictated by prudence and honesty.

I have thus, at some length, brought to your view several considerations, essential to a just and full knowledge of the important subject of our finances. I have shewn, I trust, that the leading causes of our present derangements, lie at the very foundation of our system of legislation for the last twenty years. The original defects and infirmities of our banking system, have been aggravated by our system of public credits, and must continue to be so, as long as the same course is pursued. It must be evident from what has been already said, that our banking system, however objectionable in its origin, is now fastened upon us, and connected with all our business

operations, so that it would be productive of more mischief to cut it up by the roots, than to let it stand, reformed and regulated, in such manner as your experience and wisdom may enable you to devise.

I proceed to make such suggestions and recommendations on the subject, as appear to me to promise the most salutary influence and restrictions. Premising, at the same time, that I do not flatter myself, that the adoption of my recommendations would render the system perfect, or give universal satisfaction on this subject, upon which there are so many adverse opinions. It will be borne in mind, I trust, that it is no difficult task to sit down in the closet and construct theories on the subject, beautiful and plausible in the abstract, without a full and comprehensive knowledge of their practical operation; or to cavil at whatever is suggested, and to condemn what it is neither understood or disproved. This is a feat that the weakest can, and the malicious will, perform. I have too much confidence in the present legislature, to suppose that their assaults will shake the independence or warp the judgment, of its members. I regard such attempts as unworthy to be heeded, come they from whatsoever quarter they may. Freedom of opinion belongs to all, and I concede it to others with the same readiness that I claim it for myself. I only ask in this matter a just measure of credit, for the anxious and careful consideration I have bestowed upon it, with an eye single to arrive at the result best calculated to advance the public good.

The first object to be gained, by any recommendation I may make, or by any measures you may adopt, no doubt, is to secure an early resumption of specie payments by the banks, and to guard against a like suspension in future. This desirable end must be attained, on a judicious consideration of the subject, and with due regard to its practicability, as well as to the wrongs and inconveniences the people endure.

As I have already stated, the New York banks continue to pay specie, as well as the banks of several other states; indeed, some banks that had suspended, have recently resumed. I believe the condition of most of our own banks is as sound, in reality, as those of other states. They have as much specie in their vaults, as good debtors, and I know not why they should be less able and willing to meet all demands upon them in coin. It is alleged that the notes issued by authority of law, in some of the states, of a less denomination than five dollars, have supplied their banks with a substitute for specie, and that this has enabled them to hold out against suspension. Perhaps this opinion is to some extent well founded, and it is certainly countenanced by the fact, noticed by all who are conversant with the matter, that although the banks in Pennsylvania have suspended specie payments since the 10th day of October, last, yet we now find in actual circulation among our citizens, more specie than in those states where small notes are allowed to be issued, and their banks continue to pay specie for their notes. This is a most con-

clusive proof of the utility of our own law, prohibiting the issue and circulation of notes of a less denomination than five dollars. Its tendency has been, as I believe, to place in the vaults of the banks, and in the hands of private citizens of Pennsylvania, a greater amount of gold and silver coin, than is to be found in any other state in the Union. I do not think it would be expedient to repeal that law; on the contrary, I think provision should be made to render its enforcement more effectual, and by which we should drive back, whence they came, the small notes of the neighboring states. They are debasing our circulation—they usurp the place of our own specie—and they transfer to the issuers of them, large profits arising from their circulation in despite of our law. If we force them back upon those who put them forth, either banks or other corporations, which are solvent, we shall get, or we ought to get, specie in return for them. Let those states, whose legislatures choose to authorize the issue of small notes, enjoy the benefit of such currency. Pennsylvania prefers gold and silver as small change for her citizens.

While the banks of other states enjoy the advantage of small notes, as a substitute for specie, we should doubtless allow our banks, that are deprived of it, some indulgence in resuming the payment of specie for their notes and other liabilities,—and this indulgence should be extended, not so much on account of the banks themselves, as of the people of Pennsylvania and their business, which would be most deeply affected by imprudent legislation on this subject. It is apparent, to the most casual observer, from the foregoing statements of the income of our public improvements, the resources of the commonwealth, and the vast amount of the state debt falling due, and the interest annually accruing on the whole debt, that Pennsylvania has a deep stake in sustaining the business and credit of this state and of her citizens. Whatever measures cripple our general business operations, and prostrate our credit, force upon us the inevitable necessity of resorting to taxation, or to a sale of our public improvements, or further state loans, at a heavy sacrifice. Against all these measures, I feel a degree of repugnance that cannot be easily overcome. The yearly income of the people is already heavily burthened with taxes:—their permanent property is, in effect, mortgaged with an enormous state debt. In this state of things, it behooves the legislature to weigh well the policy of adopting any measures that will curtail the avails of the people's industry, or diminish the resources of the commonwealth to meet its engagements. It should not be forgotten, that, in the case of debts already contracted, the direct effect of reducing the means of the debtor, is to increase the relative amount of his debt. The creditor gains in proportion as the debtor loses, and no man can foresee the extent of the impending convulsion. The commonwealth of Pennsylvania is in no situation to augment her state debt, either absolutely or relatively. Untried expedients should be considered well.

I respectfully suggest the propriety of immediately inquiring into the condition of the banks of this commonwealth, and of fixing the earliest period for the resumption of specie payments, that their affairs and the public wants and expectations justify. It would, perhaps, be expedient to graduate this resumption, either by the denomination of notes or amounts to be paid, so as to make one fourth or more, payable forthwith, and the residue at such respective periods as in the wisdom of the legislature might seem to be advisable, provided the time be not long protracted.

I recommend the appointment of three bank commissioners, to hold their offices respectively for one, two and three years, so that one shall be appointed annually, hereafter, with the same powers to examine at all times, into the accounts and conditions of the banks as are possessed by a joint committee of the legislature; and if any bank shall violate its charter, to institute proceedings to bring it to justice without delay; or if any bank now in existence be found unsound, to take the proper measures immediately to wind up its concerns. A proper and prudent supervision of this kind, by competent and experienced commissioners, selected for their personal weight of character and knowledge of the system, would operate as a salutary restraint in the management of our banks, independent of the means which such a commission would afford for correcting abuses.

I also recommend the passage of a law, compelling all the banks in the commonwealth to receive each others notes at par, so long as the respective banks continue to redeem their notes in specie; and on failure at any time of any bank so to redeem its notes, that the bank commissioners be required, forthwith, to take charge of it and close its operations, and that each bank be permitted to pay out at its own counter nothing but its own notes or specie, unless at the option of those who have demands upon it. I am clearly of the opinion that such a law would exert a most salutary influence on our banking system. The rate of exchange between the western and eastern parts of the state is, at times, a serious burden on the community:—the banks create that burden—then, on whom could it be placed with more justice and propriety? They can make those exchanges with much less inconvenience, and with much less expense, than individuals. It would assist to restore confidence, as each bank would be, to some extent, the surety for the notes of the others. It would introduce a wholesome system of checks, long wanted, by inducing each to keep watch over the other; and in case of excessive issues beyond their ability to redeem, their notes would be returned upon them, and the bank be forthwith closed. Self interest is the ruling motive with banks, and by this law we should enlist it in support of the public good. It is manifest that this would be an essential improvement of the present system, and would render our banks, and our currency, sounder and better than those of any other state.

I also recommend, that provision be made by law effectually to

prevent any bank, or banks, in this commonwealth from purchasing and holding bank stock, or any other stock except their own, and the stock of this state, or of the United States; and then only to such an amount as shall merely furnish a fund for immediate resort in case of a pressure, or under peculiar circumstances when loans to the commonwealth are authorized.

The direct operation of the existing law has been, and must be, to induce banks to engage in wild speculations, foreign to their objects and nature, and to divert their capitals from the legitimate purposes for which they were chartered. Nothing short of the repeal of the present law will arrest this inordinate cupidity, which may be fairly regarded as one of the principal authors of their present embarrassments. Bank officers should not, under any circumstances, be permitted to dabble in stocks, and a law heavily taxing brokers, and permitting none to follow the business, directly or indirectly, but such as may be specially licensed so to do, would, it is believed, tend greatly to check many of the evils of which our city population complains.

I also recommend, an unconditional repeal of the law authorizing stockholders to vote by proxies; or if you should be of opinion that this would be going too far, then, at least, so far, as to prevent proxies from being given by stockholders residing in the county where the bank is located, and prohibiting *bona fide* stockholders, residing out of the county, from giving proxies to any officer, director or agent of the banks. This system of proxies is susceptible of the grossest abuses. It has been used to keep in office directors, presidents and cashiers of banks, who were not the free choice of the stockholders. It prevents those who are interested in banks from investigating their management, and enables dishonest officers, not only to defraud the banks, but the banks to defraud the public. It is an unnecessary exception to the plain rule of common sense, that where majorities govern, the voters should attend in person.

I also recommend the prohibition, by law, of the pernicious practice of issuing, what is denominated *post notes*, by the banks, or notes payable at a future day. This is a violation of the spirit and principles of all judicious banking;—it is a dangerous power to be exercised by the banks, and it will, ultimately, enable them to evade most of our penal laws. It calls for effectual extirpation.

I also recommend, that the power contained in the amended constitution, of repealing bank charters, reserved to the legislature on the creation of all such corporations, shall be made a fundamental article of every bank charter in the state. This will bring every bank charter directly within reach of the people, at all times, and will enable them to rid themselves of any banking institution by repeal, the conduct, or power of which, renders it obnoxious.

I also recommend, that the time given to the banks, after the presentation of their notes and refusal to pay them in specie, as well as to make application to a judge by the holders thereof, to exhibit

proof of the fact, for the purpose of proceeding to have their char ters forfeited, shall be restricted from three months, to *thirty days.* This will afford a strong guarantee against all future suspensions, and place a more speedy remedy in the hands of the people, should such occur.

I also recommend, that the directors of the banks of this commonwealth shall be rendered personally liable for the payment of all notes issued by the banks respectively under their direction, if at any time the same in circulation, and the money due to depositors, shall exceed the ratio of three dollars for one of the specie in their vaults.

I also recommend,that from and after a certain period, perhaps o one year, no bank in thiscommonwealth shall be allowed to issue any notes of a less denomination than ten dollars. This will insure us a larger amount of specie in general circulation, and add greatly to the stability of the currency and the banks. Our experience in relation to excluding from circulation notes under five dollars, fully confirms the policy of this recommendation.

I also recommend, that the banks be prohibited from making dividends exceeding seven per cent. per annum, and that the law prohibiting the declaring of dividends, during the suspension of specie payments, be rendered more effectual. It is understood, that several banks in this commonwealth, have wantonly and needlessly, violated this law since their suspension in October, last. If this be found to be so, on examination, I recommend, further, the passage of a law repealing their charters, on such conditions as may seem expedient to maintain the laws inviolate, and to protect the rights of the community. The idea of a set of associated individuals publicly declaring a division of profits among themselves, and refusing at the same time to pay their just debts, is revolting to every principle of common honesty, and good morals. If the laws of this commonwealth, are thus contemptuously trampled on, without even the poor pretext of necessity urged in behalf of the act of suspension, I think it is time an example was made of the offenders, to vindicate the law, and to punish their temerity.

I also recommend that more effectual provision be made to compel the banks to furnish full statements of their condition to the auditor general, or to the bank commissioners, should the legislature enact a law for their appointment.

The principle of making the stockholders liable in their personal capacity, for the notes of the banks, in case the corporate funds be inadequate, appears just and equitable; and if the legislature can devise a practicable mode of bringing it into operation, I will most cheerfully co-operate with them. Those who share the profits of loaning their credit, should be willing to share the responsibility of making that credit good.

The foregoing recommendations and suggestions, if adopted, would, in my opinion, tend to correct most of the abuses and evils

of our banking system ; strengthen the banks themselves in the confidence of the people, and secure the public against loss and imposition. I will add, that, I think a total separation between the state and banking institutions ought to take place. The association of private individuals, with the state, in banking institutions, results almost entirely to the advantage of the former. Whatever hopes might have been founded on such association, by the legislature, that the banks thus owned would be at all times ready to aid the commonwealth, have been illusory. Although the state owns 3750 shares of stock in the Pennsylvania bank ; 5233 shares in the Philadelphia bank, and 1708 shares in the Farmers' and Mechanics' bank, yet she has not such a share in the direction of either as to control any of their proceedings, and derives no benefit from the partnership. Her capital is used by her individual associates for purposes of private gain and speculation, and the commonwealth, when she wants money, is compelled to look elsewhere. I, therefore, recommend the passage of a law, authorizing the sale of the state's stock in said banks, at such time, and in such manner, as will yield the greatest amount to the state ; or if it be found that such sale cannot be made without too great a sacrifice, owing to adverse circumstances or other causes, that authority be given to declare their charters annulled, and to divide the assets among the state and the private stockholders The opinion is rapidly gaining ground in this country, that direct associations between governments and banks, is neither advantageous to the parties concerned, nor safe to the public. Our banks so essentially depend on the fluctuations of trade and commerce with foreign nations, and are so liable to be influenced by those monetary convulsions and embarrassments in Europe, which operate with increased force since the relations of business have become so intimate, and the communication is rendered so easy by modern improvements on the ocean, as to form very improper depositories for the money of the people, and a very insecure basis for the public treasury.

The measure of establishing an independent treasury for the general government, with such multiplied securities and guards for the keeping of the public money, as will render it safe and convenient for the use of the government, has been imperatively called for, and justified, by recent events. Public sentiment is setting in its favor with unprecedented strength, and there is every reason to believe, that the laudable efforts of the President of the United States on behalf of it, will be successful. Among other reforms of our present banking system, I do not consider this as the least. It will remove from the banks many temptations to extend their business to an unreasonable degree ; it will check foreign importations ; it will save the community from the manifold evils heretofore suffered, in consequence of the governments withdrawing from the banks large amounts of its funds therein deposited, and will place all the banks on an equal footing, by preventing the exercise of that partiality or indulgence, which may very readily be used to strengthen

and uphold particular banks, at the hazard of crippling and breaking up others. Under whatever aspect we view it, it seems to me to be a measure, both of wisdom and necessity, which sooner or later, will meet with universal assent.

I also recommend, that thorough investigation be made into the facts, whether or not any of the banks of this commonwealth have charged and taken illegal and usurious interest, either directly, or through the fiction of bills of exchange, or by setting apart portions of their funds, to be used by committees or other persons for such purposes. I have reason to believe that all, or some of these things have been done by certain banks in the city of Philadelphia. And if it should be ascertained on investigation, that such is the case, I recommend that the charters of those banks, which have so acted, be repealed, for this gross and unjustifiable violation of this salutary law. I have also been informed, that certain banks in the city of Philadelphia have neglected or refused to observe the provisions of the 42d section of the act of 16th April, 1838, relative to the rotation and election of bank directors. This law, I regard as wise and salutary, and if it should appear on inquiry that it has been wilfully disregarded by any bank, or banks, subject to its operation, I respectfully suggest, the propriety of passing such a law on the subject, as will effectually prevent future violations, and punish past transgressions.

Savings institutions and loan companies, have increased greatly in number and importance in this commonwealth, within a few years. Great complaints have been made, especially in the city of Philadelphia, against their mode of doing business. It is said that they, or some of them, have taken illegal and usurious rates of interest,—that they have dealt oppressively, and illegally with their debtors and customers—and that they have contributed, in some measure, to aggravate the evils and embarrassments produced by the conduct of the banks. I recommend strict inquiry into these and other allegations against them, and if found to be well grounded, that the charters of all that have thus acted be repealed. It is not to be tolerated, that these creatures of legislation, should set the laws at defiance.

I also recommend, the passage of a law for the more adequate prevention and punishment of frauds, and fraudulent breaches of trust by officers of banks, collectors of public tolls, and all other receivers and disbursers of public moneys. Recent experience has shown, that civil liabilities are altogether insufficient to protect the public from fraud and imposition, by these several classes of officers. I am not, in general, in favor of multiplying penal laws, but the peculiar temptations afforded to these officers to transgress their duty, and the hope of impunity, arising from the mere civil responsibility to which they are subjected, call for the special interposition of the legislature. Instances of delinquencies have occurred within a short period, in which not only has the commonwealth most probably

sustained considerable losses, but numerous private persons, little able to bear the consequences, have been deeply affected, and in some cases entirely ruined. The perpetrators of these deeds should be taught, that our penitentiaries were constructed for the reception of inmates like themselves.

Considering the various banks in this commonwealth, incorporated at different times, on different principles, and of widely different amounts of capital, it might perhaps seem expedient to some, that I should recommend discriminating legislation, applicable in its penal consequences to some, and not to all the banks alike. It will be seen that several of my recommendations, though expressed in general terms, will operate on particular banks only. I have not been able to perceive any good reason for making discriminating recommendations. I think, on the contrary, all banks in a sound condition should stand on the same basis, and be subject to the same general regulations. Such of my recommendations, as are applicable to particular banks, are intended to bring all within the operation of the same rules and restrictions. The laws should be made strong enough to control the most powerful, they will then be sure to be strong enough to control the weaker ones. The principle of banking on a large or a small capital, is precisely the same in its influence, except the difference in degree, upon the human character. The greatest gain, at the least expense, is the ruling motive of action in both, and sways with the same power, the bank of one hundred thousand dollars capital in a country village, as the one of so many millions in a great commercial metropolis. The whole difference consists in the influence and power of these respective institutions. I think the recommendations I have made, if incorporated into the charters of the most powerful banks in the commonwealth, will bring them within the immediate reach of the legislature and the law. In that condition, they will be humbled in their lawless pretensions, and stripped of their ability to set at naught, as they have done, the will of the people. As we cannot get rid of the banks altogether, without the most serious losses, and inconveniencies to the public,—the extent of which can be but imperfectly computed, when we consider that it would most certainly reduce our circulating medium very considerably, and that the inevitable consequence of such reduction must be to depreciate our farm lands to one half perhaps of their present value, and all other property in the same proportion; increase, in effect, our state debt in a corresponding ratio, and individual debts in a like relative degree; I find in these things motives, of no slight weight to my mind, for urging steadfastly upon the legislature, the adoption of the suggestions and measures which I have proposed:—or at least, if other measures should seem to them preferable, that they should be those of a kindred bearing.

I dismiss the further consideration of our banking system, fully convinced of its manifold imperfections, and abuses; and reiterating

the hope and the assurance, that this legislature will not separate, till thorough and searching reform, has hunted out its imperfections, and corrected its abuses. It is fortunate for the public that the banks have either voluntarily, or in the natural course of their own defective organization, placed themselves in a condition, where they not only cannot dispute the policy and justice of reform, but must in self defence, allege the truth of the very doctrines, on this subject, for which the friends of reform have long fruitlessly contended. Time and necessity are powerful reasoners. In this instance, they have convinced even those who were interested to resist their convictions, and I accordingly trust, the legislature will proceed at once, and courageously, to the accomplishment of this great, salutary, and long expected work.

The public improvements of this commonwealth, constituting one of its principal resources, as well as objects of expenditure, must be regarded as a subject hardly second in importance to the finances. This system has gradually grown up to its present magnitude within the last fifteen years. The internal improvements of Pennsylvania now consist of the following number of miles in actual operation, to wit: 608¼ miles of canal and slack water navigation, and 118 miles of rail roads, making together 726¼ miles completed, and now in use. 207¾ miles of canal and slack water navigation, have been commenced, and are in a state of considerable progress.

The following number of miles have been suspended, after expenditures to some amount had been made upon them, to wit: forty-seven miles of canal and slack water navigation, and twenty-two miles of rail road.

I beg leave to refer you to the message which I had the honor to transmit to the last legislature, on the 26th January, 1839, as containing a full and explicit exposition of my views on the general subject of our internal improvements, and to the report of the canal commissioners, for a detailed statement of the operations upon them, during the past year, together with their condition at the present time. It is due to those officers to state, that, their duty has been performed with much ability and efficiency, and that their opinions and recommendations are entitled to respectful consideration. On this occasion, I will merely refer to such facts and considerations, connected with this subject, as appear to me to be essential to the proper understanding of its nature and bearing,

The internal improvements of this commonwealth, have been constructed at an aggregate cost of twenty-six and a half millions of dollars:—and when we consider that the surface of our territory is diversified and broken by numerous chains of mountains, and by rivers, to a greater degree than that of almost any state in the Union, we must regard our system of internal communication, undertaken by a community distinguished for its prudence, economy and simplicity of character, as standing without a parallel in modern times. The enterprize and perseverance of the people of Pennsylvania, have

enabled them to achieve these astonishing triumphs over the barriers of nature, and the obstacles incident to their condition, more formidable still. The great system originally projected, is almost completed. In its progress, it has been subjected to few other fluctuations, and drawbacks, than arsise from pecuniary embarrassments, and from those errors of judgment, and accidents of legislation, that are to be naturally expected, from the want of experience on the part of those who directed its operations, and from the numerous conflicting local interests that prevailed in the legislature. On the whole, though some works have been undertaken of doubtful policy at the time; though large sums of money have been expended on some which ought never to have been commenced; and though the cost of those of unquestioned utility, has been far greater than it would be, if the same work was to be done under all the advantages of our present experience, we have yet perhaps as much cause to be surprized at our good, as at our ill fortune.

In a former part of this message, I have fully explained our present financial embarrassments. I have stated the amount of money that must be provided to meet the unavoidable demands on the treasury, for the ensuing year. Our condition forbids the undertaking of all new works, and emphatically inculcates the most careful husbandry of our resources. In addition to the payment of the interest on the public debt, and providing for the payment of a loan falling due, a million of dollars, at least, will be needed for repairs, during the present year; for a satisfactory explanation of which, I refer you to the report of the Canal Commissioners. In view of this state of things, the question is distinctly presented to the legislature, whether the works now in progress of completion shall, or shall not, be finished, at the present time?

On these several lines of improvements, the following sums of money have been appropriated and nearly expended, viz:

Erie extension,	$1,566,666 66
North Branch extension,	1,346,666 66
Wiconisco feeder,	210,000 00
Road to avoid Inclined Plane at Columbia,	199,000 00

By the most careful estimate of the cost of completing these several lines, the following sums will be required, in addition to the appropriations already made, viz:

For the Erie extension,	$2,114,527 85
For the North Branch extension,	2,181,635 54
For the Wiconisco feeder,	166,195 43
And for road to avoid inclined plane at Columbia,	91,144 97

From this statement it is evident, that should the legislature determine to suspend the completion of these works, the sum of $3,322,333 32 expended on them, will be lost; or should it be determined to proceed forthwith to the completion of them, the sum of 4,553,593 79 will be required for that purpose. Upon a full consideration of all these circumstances, together with the additional

fact, that these respective works will be worthless, till the whole of each is finished, it is for the legislature to decide, what course sound policy and official duty call on them to adopt. The whole of these lines might be completed, if sufficient money be appropriated at this session, within two years; and a portion of them, during the approaching summer.

In addition to the foregoing works in a state of progress, the following have been suspended by the legislature, after expending on each, the sums respectively set down, viz:

Gettysburg rail-road, - - - - - -	$656,666 67
Sinnemahoning extension of the West Branch canal,	164,000 00
Allegheny feeder, - - - - - - -	30,000 00

It will not, I presume, be thought advisable by any one, to recommence any of these works under existing circumstances. The first has, most probably, been suspended forever.

I took occasion in both my inaugural address, and in the message of the 26th of January last, before referred to, to announce it clearly as my deliberate opinion, that after the completion of the works then in a state of progress, and so far advanced as to render it less wise to suspend than to prosecute them with vigor, it would be time to pause in our career, and wait the further extension of our improvement system, till we could judge of it by its fruits. The experience of the past year, has greatly strengthened this opinion, and satisfied my mind beyond all doubt, of the manifest impolicy of undertaking any new works, whatever, at the present conjuncture. I deem it an act of simple justice to the legislature to apprise them that this is my thorough conviction of duty.

Should the legislature think proper, to prosecute the works now in progress to immediate completion, I respectfully suggest the propriety, of providing, at once for the whole amount required, so as to enable the canal commissioners to execute them in the speediest and cheapest manner; and also, I would further suggest the mistaken policy of postponing the passage of so important a bill, as that for prosecuting and repairing the public improvements, until the close of the session. Much is lost by the delay, and nothing gained. By this procrastination not only is valuable time lost, but bills are sometimes necessarily permitted to become laws, that do not meet the entire approbation of all departments of the government, whose duty it is to sanction them. Such was the case with the act of the 19th July, 1839, entitled "An act to provide for the repairs of the several lines of canal and rail road, and to continue the improvements of the state." That very important bill, did not pass, until the last day of the session of the legislature, and it was not presented to me for my signature, until the legislature had actually adjourned, *sine die*. Had it been presented to me during the sitting of the legislature, I frankly say to you, it would not have received the Executive approbation. But when it came into my hands, there was no remedy: I was compelled to make a choice between what I regarded as evils, either to refuse my assent to it and suspend the

prosecution of the public improvements, not only those in course of construction, but to arrest those in a state of use,—or to approve of it, though conferring certain highly objectionable powers and privileges on the banks taking the loan authorized. I held it under consideration for nearly a month, and was finally induced to sign it, in order to prevent the serious evils that would have resulted to the business of the country, and the character of our public improvements, had there been no provision made to repair and continue operations on them at all. The same paramount consideration also induced me to take the loan authorized, from the Bank of the U. S. of Pennsylvania, which institution, as was to be supposed, would seek to avail itself of any advantage the legislature had bestowed on those who furnished the loan. Every other expedient to procure the money was first tried. The usual advertisements for the loan produced no bidders, —letters addressed to all the banks in the city of Philadelphia, had no better success. In this emergency, the only alternatives presented, were either to suspend operations on all our improvements, stop the locomotives and draw the water off the canals, or to obtain the loan authorized by the bill, from the Bank of the United States. I reluctantly adopted the latter, believing it to be, as a question rather of expediency than of constitutional principle, more conformable to my duty, than the former.

To afford hereafter, a reasonable opportunity to the Executive, as well as to the two houses of the legislature, to consider and to decide upon whatever bills relative to the public improvements and to loans may pass those bodies, I hope they will be presented to me in time to act in concert with them, or to enable them to judge for themselves, in their constitutional capacity, whenever the provisions of such laws do not happen to meet my entire approbation. Thus only can the independence of each department be preserved, without doing so at the expense of the public interests, and thus alone can the responsibility of each to the people. be rigidly enforced, without casting a portion of it on the other. I shall never shun any responsibility, whatever, that justly devolves upon me, but I do not desire to be placed in a situation, as a public officer, where I must approve or disapprove of particular measures, not on the ground of their intrinsic merits or demerits, but because, by the action of a co-ordinate branch of the government, I have been precluded from a free and unfettered course of conduct. This certainly does not accord with the true spirit of our government.

Keeping in view these various circumstances and interests, the question is presented to the consideration of the legislature, how is the money to be procured, to pay the interest on the state debt; to meet the several loans falling due; and to defray the other necessary expenditures of the commonwealth? However formidable the difficulties we must encounter, there is no avenue of escape from these responsibilities left open to us. We must meet them without shrinking, or postponement. The sum of $2,000,000, must be

obtained for the ensuing year, and perhaps an equal amount for the year following. By the sale of the stock held by the commonwealth in the Bank of Pennsylvania, Philadelphia Bank, and Farmers' and Mechanics' Bank, the sum of *two millions, one hundred and eight thousand seven hundred* dollars may be realized, but it will require time to carry this operation into effect. The sum of $600,000 must be had on or before the first day of next month, and the balance during the remainder of the year. Nothing can be expected from other sources—even new loans would, perhaps, fail to answer the purpose in the present exigency. What then remains to be done? My own deliberate opinion is, that, resort to taxation, provided that it shall be so regulated as to bear with as little hardship as possible on the people, is the only possible remedy to extricate the commonwealth from the embarrassments by which we find her surrounded.

In stating to the legislature the general resources of the commonwealth, I feel it to be my duty to refer you, without recommending it, to another remedy, which may put the evil day off for a time, should the legislature think proper to adopt it. By the act incorporating the Bank of the United States, that institution is bound to loan to the commonwealth, at four per cent. interest, six millions of dollars whenever required by law. It will be for the legislature, after examining into its conduct and condition, if taxation be deemed impolitic, to determine whether this sum shall be called for from that bank—and if so, to appropriate the same specifically, to the payment of the interest on the state debt, and to the immediate completion of the main lines of canal under contract, and in a state of forwardness, and to no other purposes whatever. In expressing my own opinion in favor of a resort to taxation, I do it with no inconsiderable degree of reluctance; but it must be obvious to every citizen of the commonwealth, that his house, his farm, and his property are all pledged, beyond possibility of release, to the ultimate payment of the state debt, and the interest thereon accruing, agreeably to the stipulation with the loan holders. Nor is this the worst view of our situation. The state has been actually compounding, for years past, from a million, to a million and a half of interest annually; and the question is now submitted whether we are thus to continue adding half yearly, this enormous amount of interest to the principal of our state debt, and continue in this pusillanimous course of policy, from year to year, of shuffling off the evil day, and entailing this frightful legacy on posterity. It is a reproach on the people of Pennsylvania to suppose they can be longer kept in the dark, in regard to the situation in which we find them. All they want to know, to ensure a ready compliance with this indispensable call upon their patriotism, is to know the necessity of the measure. The experience of more than half a century, fortifies me in the belief, that the good sense of the people of this great commonwealth, is rarely appealed to in vain. In assuming the

responsibility of recommending this measure, I am fully sensible of what is to be encountered, and aware of the consequences that are to follow; and if in this expression of the honest convictions of my own mind, and the fearless discharge of the duties incumbent on me, I shall not be borne out by my fellow-citizens, I shall at least have the consolation to know, that I have done that which I conscientiously believe to be right, and which I think will bear the reflection of after years. The time for evasion is gone; the public mind has been too long fed with miserable expedients. The time for action is at hand. Our country expects every man to do his duty, and he that has not nerve enough for the crisis, should give place to those better fitted for the emergency. Neither the present legislature, nor myself, had any thing to do with contracting this debt,—it is fixed on us by those who have gone before us; and the same rule of prudence and sound policy, that would govern the conduct of a private individual, holds equally good in the case of the commonwealth, under this state of things. The private individual would tax his industry and his property, to the utmost, to pay off a debt, and the interest upon it, that was consuming the avails of his industry and his substance—so, also, it seems to me, should the representatives of a wise and judicious people. Taxation would pay the interest—it would eventually constitute a sinking fund to pay off the principal of the state debt, and should be continued till the income of the public improvements would render longer taxation unnecessary. The crisis demands the exercise of the most far-reaching sagacity—the calmest judgment, and the most fearless patriotism. I am sure the legislature will meet it in the right spirit, to disarm it of its perils. Coming, as you do, from all quarters of the state, and possessing a more intimate knowledge of the circumstances and wants of the people than I can, I most cheerfully surrender this important subject to you, satisfied that prudence and justice will direct your action upon it.

Among other subjects, of much importance to the people, that will claim your attention, is the creating, renewing, and supervising of corporations. These institutions, in a great measure the contrivance of modern times, have become within the last half century, multiplied to an extent never dreamed of before. There is scarcely any branch of business, or pursuit of life, into which they have not, directly or indirectly, entered. Corporations may be divided into two general classes,—those established for public purposes—and those for purposes of a private nature. There is another species of corporations, including banks, &c., that partake of the nature of both of these classes, but being mainly established to promote individual interest, they belong essentially to the second. The first class, consisting of those for religious purposes, as churches, for the promotion of the arts and sciences, as colleges, academies, medical universities, &c. &c. &c., for purposes of internal communication, as turnpikes, bridges, railroads, canals, &c. &c., and in short, for

all great purposes of public utility, to the attainment of which, individual means and exertions are wholly inadequate, doubtless under proper and judicious regulations, subjecting them to the control of the legislature, are to be encouraged and sustained. The other class, embracing those principally established for purposes of a private nature, ought either not to be increased in numbers at all, or only when imperative necessity demands it—and then, under the most inflexible guards and restrictions.

Legislation has, within the last few years, departed widely from that republican simplicity that ought to characterize a free government. Privileges belonging to all the citizens alike have been specially delegated to small associations; a few persons collectively have been invested by acts of assembly, with powers and immunities denied to the rest of the community, and thus have numerous monopolies been created, not only to rival but to trample down all individual efforts and enterprise. The creation of one corporation, has been the signal for creating others as competitors, until the system has reached a point that calls on the legislature to pause. It may be improper to interfere with those already in existence, unless their own misconduct requires it, or experience shews that the security of the public good calls for such interference. It is high time, however, that the system itself on which they were created, should be brought within the wholesome influence of reform. Let the increase of corporations hereafter be limited to cases of undoubted public utility, where individual capital and enterprise are insufficient to accomplish the object intended, and let the power of the legislature to control or abolish them, be at all times expressly reserved. A system resting on opposite principles, must eventually transfer nearly all the powers and authorities of the legislature, as well as the business of the people to corporate bodies, and thus silently but effectually achieve a revolution in our civil relations; for if the obligations of men, may be converted into those of a limited and artificial nature, instead of a direct personal responsibility, it is manifest that the very elementary principles of society are changed. We shall be constrained under such change, to reach the citizen, not by the immediate personal process of the law, but by its clumsy indirect application to him in an ideal state of existence, created by legislation and rendered independent of the usual responsibility of the members of society. This is the condition of things, complicated and clogged by corporate exceptions and privileges, towards which our recent system of legislation on this subject, has been hastening us, and at which we shall sooner or later arrive, unless it be abandoned. Events that have transpired around us within the last few years, have justly awakened us to our true situation. The lessons of experience will not surely be lost.

The subject of education has necessarily and properly occupied much of the time and attention of our legislatures to enable them to carry out the constitutional injunctions on that subject; and we have

In operation a system, which, although by no means perfect, is, certainly equal to that in force in most of our sister states. It still needs those improvements which experience pronounces necessary to cure its defects. The principal inconvenience now experienced in the system, is the want of competent teachers; who should be Pennsylvanians in habits, education and principles. This want will probably be continually felt, until the inducement of more adequate compensation shall be offered, and when the higher qualifications required in teachers shall elevate them to that proper rank and estimation in society, which the instructor of youth should always occupy.

We are also in need of a proper system of school books, to be used in our schools, and which should be composed by competent persons for the instruction of the youths of Pennsylvania. Such a course as would tend properly to impress our youth with a due regard for our own commonwealth, and endear her to their hearts.—Her position, wealth and intelligence; the admirable and free system of her laws; her unwavering patriotism and devotion to republican principles; her distinguished philanthropy and benevolence, entitle her, in a pre-eminent degree, to the love and veneration of her children, who should be early taught properly to estimate her great characteristics.

Our colleges are in successful operation, and by the aid afforded them, from the treasury of the commonwealth, are accomplishing much good. Our county academies are, from the same source of aid, affording the advantages of the higher branches of elementary education, in almost every county in the state, to such as seek to fit themselves for entering our colleges; and by no means the least important institutions, connected with the education of youth, are the female seminaries, which, of late years have been springing up over the commonwealth, and are likewise the objects of legislative bounty. The importance of female education, will always be sensibly felt upon the rising generation; and mothers well instructed in the ordinary branches of education, will seldom suffer their children to grow up in ignorance. With intelligent mothers, followed and seconded in their efforts, by competent and well instructed teachers, we shall soon see an intelligent and well informed population filling our beloved commonwealth, and giving her, in an intellectual point of view, that rank and station to which she is justly entitled. I shall be glad at all times to co-operate with the legislature, in any proper measures calculated to improve the moral and intellectual condition of our citizens, as we, thereby, rear the most enduring pillars for the support of our political edifice, in all its strength, beauty and grandeur.

The report of the superintendant of common schools, will inform you of the operation of our common school system in its details, with his views in regard to the improvement of the system, and the best means of accomplishing it.

The amended constitution was adopted by the people upon the 9th day of October, 1838. It provides for a new mode of appointing the judges of our courts, and changes their tenure from that of good behavior, to a term of years if they shall behave themselves well. There is a marked difference in the language of the schedule to that instrument, when speaking of the judges of the supreme court, and the other judges of the commonwealth. The former were to be graded, as to the expiration of their offices, by the dates of their commissions upon the 1st day of January, 1839. Vacancies in other judicial stations, occurring after the adoption of the amendments, and before the 1st of January, 1839, were not provided for by that instrument, "as no commissions were provided for, or continued in force by it, excepting such as were in being at the adoption of the amendments to the constitution." Consequently, all appointments made of such judges, between the 9th of October, 1838, and 1st January, 1839, only endured until the latter day, and were then annulled by the new constitution going into effect, except where otherwise provided for in that instrument.

It is always a subject of regret, to see management made use of, to defeat the expressed will of the people, and it is seldom successful. Shortly before the 1st of January, 1839, two of the president judges of judicial districts resigned their offices, and were re-commissioned on the day following their resignations, to hold their offices "so long as they behave themselves well." I deemed it my duty to direct proceedings to be instituted in the supreme court, against them. One of them died pending the proceeding, and the other was ousted by the judgment of the court, and his place has been supplied by a new appointment.

In relation to the associate judges, there were numerous instances of resignations, between the adoption of the amended constitution, and the 1st of January, 1839, and others were commissioned, in their places, to hold during good behaviour. According to the decision of the supreme court in "*The Commonwealth vs. Collins*," these commissions expired on the latter day,—and there were two instances in which appointments were made on the 14th of January, 1839, by and with the advice and consent of the senate, to fill vacancies occasioned by resignations made on or after the 1st of January, 1839. The commissions for these two judges were issued to hold their offices for five years, if they so long behaved themselves well. The whole proceeding I have always treated as a discreditable attempt to tamper with, and give a political character to the judiciary, and has no parallel in the history of our country, but in the memorable appointments known as the "midnight judges," made on the third of March, 1801. The object of the proceeding, undoubtedly, was to prevent the classification of the associate judges which the constitution contemplated, and, if so, was a fraud upon the people of the commonwealth. I beg leave to call the attention of the legislature to the facts, and if their views shall coin-

cide with mine, I think sound policy, as well as sound morality, requires, that a supplement should be passed to the act of 20th June, 1839, classifying the associate judges, by which provision shou d be made, that all associate judges, commissioned since the adoption of the constitution on the 9th of October, 1838, should only hold until the time when the commissions of the persons in whose places respectively they were appointed, would have expired. Every thing like management in the appointment of judges, to prolong their terms, contrary to the obvious meaning and intent of the constitution, should be discountenanced, as calculated to undermine and shake public confidence in the integrity of the judiciary.

Since the executive department of the government has been committed to my hands, all vacancies which have occurred in the offices of associate judges, except during the recess of the senate, have been filled by commissions to expire when those of their predecessors would have expired, under the amended constitution. This, I apprehend, is the precise meaning and intent of the constitution, otherwise the classification directed by that instrument, could be broken up and defeated, at the will and pleasure of the executive.

The only office remaining in Pennsylvania, in which the tenure is limited by good behaviour alone, is that of notary public, authorized by the act of assembly, passed 5th March, 1791. As all offices of that tenure provided for in the constitution of 1790, have been abolished by the adoption of the amendments to that instrument, a regard to consistency would seem to require, that there should be no statutory office of an unlimited duration as to tenure. The number in each county, except Philadelphia, being limited by the provisions of the act, to three, and some of the number being now superannuated, or otherwise incapable of discharging the duties of the office, and towns and villages having sprung up, requiring frequently the services of a notary public, where appointments cannot be made without exceeding the number limited to the county, legislative action on the subject appears to be necessary.

On the 16th day of June, 1836, an act was passed entitled "An "act to fix the number of senators and representatives, and form the "state into districts, in pursuance of the provisions of the constitu- "tion," which provided for the election of thirty-three senators in twenty-three districts, into which that act divided the state. The whole number of taxables in the state, as returned to the Secretary of the Commonwealth, was 309,421—which, fixing the representatives at 100 and the senators at 33, would entitle 3,094 taxables to a representative, and 9,376 to a senator. There have been, uniformly, great complaints of the inequality of representation under this law, both as to the senators and representatives, and in regard to the latter, there was a positive violation of the constitution of the commonwealth. By the 4th section of the 1st article of the constitution of 1790, which remains unaltered, it is provided that the apportionment shall be made "among the city of Philadelphia, and the seve-

"ral counties, according to the number of taxable inhabitants in each,' and that "each county shall have at least one representative, but "no county hereafter erected shall be entitled to a separate represen- "tation, until a sufficient number of taxable inhabitants shall be con- "tained within it, to entitle them to a separate representation, agree- "ably to the ratio which shall then be established." Agreeably to the return made as aforesaid, the number of taxable inhabitants were, in the county of Bedford, 4,712—in Bradford 4,721—in Columbia 4,818—yet to the first named county, having the smallest number of taxables, two members were given, while to each of the last named counties, having a larger number of taxables, but one member is allowed; and the same palpable and unwarrantable violations of the constitution, characterize many of the other apportionments made by said act. Nor is this all:—the county of Mifflin was in existence, as a county, when the constitution of 1790, was adopted, and was entitled to a representative in the legislature which by this act was not allowed to her; but she and Juniata county, which had formed part of her territory, are coupled in a district with the county of Union. It is therefore respectfully submitted, that a due regard to the provisions of the constitution, and the rights of the people, imperiously require the enactment of a law for a new apportionment of the representatives and senators, according to the number of taxable inhabitants.

In Pennsylvania it has often been a source of complaint, that the decisions of our supreme court are not reported by a regularly appointed reporter. It may be worthy of inquiry whether some provision ought not to be made by law, for regulating the manner of reporting those decisions, by an officer who shall be responsible to the commonwealth, for the manner in which the work shall be performed.

The number of cases taken up on writs of error, and by appeal from the inferior courts to the supreme court, has greatly increased of late years. An inquiry into the causes which have induced this increase, as well as what means had better be adopted to enable the court in the last resort, to decide with due care and deliberation, all the cases of sufficient importance to be brought before them, may be productive of much good to the administration of justice.

There are some parts of our system of administering justice, which will perhaps require legislative action, in order to correct evils existing in practice, and daily felt by suitors and others interested in their proceedings.

The present organization of the courts, in the city and county of Philadelphia, does not seem to answer the purposes intended. The vast increase of business thrown on the courts of civil jurisdiction, by the act of 14th April, 1834, giving them almost as unlimited equity powers as the courts of chancery elsewhere possess, as well as the increase growing out of the augmented population and business of that city, and its adjoining districts, have overloaded their

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dockets with causes, which the judges by their utmost industry cannot keep down. Something should be done to prevent the delay now experienced by suitors in those courts, and what the corrective should be, is submitted to the legislature.

The court of criminal sessions of the city and county of Philadelphia, also, requires that legislative attention should be called to it. It possesses, now, an anomalous character, and only exercises a part of the criminal jurisdiction of that city and county. The whole criminal jurisdiction could, perhaps, be better vested in the court of oyer and terminer and general jail delivery, and court of quarter sessions of the peace; and a court of civil jurisdiction created for the purpose, could exercise all the powers now exercised by the court of common pleas, and perhaps dispose of part of the business which now accumulates in the district court. Such a course, by a better distribution of the duties of the court, would add nothing to the present expense, and would probably correct the evils and unnecessary expenses, now incurred by a defective organization and arrangement.

There is, however, another subject to which I beg leave especially to call your attention. In certain counties in Pennsylvania, attempts have been made to tamper with the jury box, and give a political aspect to the selection of persons for jurors. This is an evil which should not for a moment be tolerated. The trial by jury is one of the invaluable rights of freemen, and the attempt to give a party character to the selection of jurors, unless promptly checked, will ultimately destroy all confidence in the tribunal. Let provision be made by law to preclude the possibility of encroachment on this most wise and venerable of all human and social institutions, and protect this long boasted bulwark of liberty, from prostitution to the basest purposes. One of the causes specially assigned for our Declaration of Independence, was the "depriving us of the right of trial by jury." Vain, indeed, have been the efforts of the sages of the Revolution to restore this invaluable right, if we silently look on and permit it thus to be wrested from us. Every state in the Union has emphatically engrafted on her constitution "that the trial by jury shall be preserved for ever inviolate." No one is safe in his life, his liberty, or his property, in this state of things. I therefore respectfully recommend, that it be made the duty of the judges of the courts of common pleas, or some two of them, and the sheriff, annually to select the jurors in open court, and that the drawing of the same, from time to time, shall be by them also done in open court; or that such other provision be made by law, as you in your wisdom shall think best, to restore public confidence to the exercise of this venerated and dearly cherished right, and to preserve the purity of the trial by jury from suspicion.

There are many instances in which the laws relative to collateral inheritances have not been observed, and in which the payment of considerable sums of money, rightfully belonging to to the state, is

evaded. It is, therefore, respectfully suggested, that the registers of wills be enjoined by law, to inquire of all executors and administrators, on oath, at the time of granting letters, whether the estate of their testator, or intestate, will be, in their opinion, the subject of the laws relative to collateral inheritances, and that the register give notice of all such to the attorney general, or his deputy, whose duty it shall be to make a record thereof, and enforce the collection, from time to time, of the moneys arising therefrom.

The militia of the commonwealth are enrolled as required by law, with the exception of some portions of the state, in which difficulties exist in procuring officers to perform that duty. The militia system is a tax to a considerable amount upon the state treasury, which might be considerably lessened, if the adjutant general were charged with the duty of personally superintending the system in its details, and properly compensated therefor. Legislative attention is requested to this subject. The due enrolment, officering and classification of the militia, should be continued, and encouragement held out to volunteers, and the days of militia trainings might be advantageously reduced to one in the year.

Nothing has occurred, since the meeting of the last legislature, to disturb or affect the relations of Pennsylvania, as a member of the Union. The government of the United States has continued to be administered by the wise and distinguished statesman at its head, with his accustomed ability and fidelity. In the high and responsible position which he occupies, he has fully justified the best hopes of our citizens, by whose free suffrages he has been elevated to the station which he so well fills.

By the act entitled, "an act relating to the elections of this commonwealth," approved 2d July last, no provision appears to have been made for the election of a senator, to represent this state, in the senate of the United States, at any other time than on the second Tuesday in January, next preceding the expiration of the constitutional term of a senator, unless informed by the governor that a vacancy exists. By reason of which, I have supposed it proper to inform you that a vacancy does exist, in the representation of this state, in the senate of the United States.

By the terms of the loan negotiated with the Girard Bank, on the 20th March, last, for $1,280 00, the sum of $380,000 00 for repairing the breach on the Juniata division of the canal, was to remain in the bank until drawn for, after the vouchers of the disbursing officers should have been examined and approved by a joint committee of three members from each branch of the legislature, agreeably to the provisions of the act authorizing the loan. The joint committee, having been appointed at the time, there was every reason to believe the accounts would soon be adjusted, and the money applied. I therefore did not hesitate to embrace the offer to take the loan with that condition annexed, inasmuch as the commonwealth was then much straitened in her fiscal affairs, for want of the residue

of the money, and no other offer being made. But, by the subsequent action of the legislature, in a joint resolution passed at the close of the adjourned session, and approved on the 2d of July, last, so much of the act of the 9th January, authorizing this loan, as requires those accounts to be settled by the joint committee, was repealed; and authority was given to the auditor general to settle and adjust the same, and requiring him to draw his warrant in favor of the Bank of the United States, and the Harrisburg Bank "for such amounts as he shall find to have been fairly expended in repairing said breach."—Such have been the difficulties, however, encountered by that officer in attempting the settlement of those accounts, that he does not feel himself warranted, by the terms of said resolution, in drawing in favor of those banks, for any part of the money; the facts and circumstances in relation to which, will be laid fully before you by that officer. I respectfully ask the early attention of the legislature to this subject, that the necessary provision be made by law to arrest the further accumulation of interest on the money, that may eventually be found payable to said banks.

In pursuance of the provisions of the act of July 2d, 1839, relating to the claims of the commonwealth against the estate of John Nicholson and Peter Baynton, a commissioner was appointed to perform be duties therein required.

From the nature and extent of the investigation, and the limited time allowed to make report, it was impossible for the commissioner to examine into and ascertain the various complicated and important matters enjoined on him, within the period allotted. By reference to his report, which will be laid before you, it will be seen that the outstanding claims of creditors (other than the state) against the estate of John Nicholson, amount to upwards of thirteen millions of dollars, including interest till the 1st of April, 1839; that the balance due the commonwealth on the same day was $278,179 57, and that the estate of Peter Baynton on that day owed the commonwealth $58,913 95.

By the 8th section of the act above mentioned, all former laws in relation to the sale of the lands of Nicholson and Baynton are suspended; hence it may be worthy of consideration whether some additional legislation should not be had, to relieve all parties concerned from their present embarrassment. The great length of time which has elapsed since those debts were contracted; the fact that many of the lands have been held for a number of years by actual settlers, and a large portion of the residue sold for taxes; the immense sum of outstanding debts against John Nicholson, as well as the claims of his heirs, all urge the necessity of a speedy settlement, as the titles to immense bodies of land, in various parts of the state, depend upon the adjustment of the conflicting claims of creditors, heirs and landholders.

I would therefore respectfully, recommend the passage of a law authorizing the commissioner, under such restrictions as may be

deemed advisable, to compromise, adjust, and settle the claim of the commonwealth, with actual settlers, and others, claiming title to the lands, on which the state has a lien, in such manner as not to prejudice or affect the rights of others.

It is highly important to the commonwealth, that the doubt and uncertainty in which the title to those lands is at present involved, should be removed without further delay. I have accordingly deemed proper to call your attention to the subject, in anticipation of the commissioner's final report.

By the act of the 29th March, 1836, a geological survey of the state was authorized, and the sum of $6,400, was thereby annually appropriated for that object, for five years. A supplement to this act was passed on the 21st March, 1837, authorizing an increase in the corps, and appropriating the further sum of $3,600 per annum, to the appropriation made by the act of 1836—and by an additional act passed 13th April, 1838, the further sum of $6,000 per annum was added to the appropriations for this object, "in order to complete the geological and mineralogical survey of the state more rapidly." In pursuance of these acts, the state geologist, with the assistants, authorized by the acts stated, has been engaged in the mineralogical and geological survey of the state, and considerable progress has been made in the work, which it is hoped may be completed within the time contemplated by law. The reports already made by that officer, with that which he will present at the present session, will exhibit the amount of the work done, and, to some extent develope the mineral treasures of this commonwealth, which have become sources of immense wealth and trade.

The coal and iron of Pennsylvania, are more valuable, as sources of wealth and employment, than mines of the precious metals are in countries where they are found. They furnish investments for large amounts of capital—give constant employment to numerous operatives; and under ordinary circumstances, with prudent management, yield a certain and regular profit to all engaged in the business. They pay a large proportion of the tolls upon our public improvements, and constitute the most important share of freight for those engaged in transportation upon our canals and rail roads, as well as for numerous vessels engaged in the coasting trade. The value of coal and iron must necessarily be much enhanced by the recent successful application of anthracite coal as fuel for smelting iron ore, which will in all probability introduce a new era in the iron business in our commonwealth. Should the experiment become generally successful, of which little doubt is entertained, it will save us the necessity of importing large amounts of iron for rail roads, as well as other purposes, which Pennsylvania, in that event, would be able to furnish in abundance, not only for her own use, and that of her citizens, but for a large portion of her sister states. Possessing as Pennsylvania does, the great bulk of the iron ore, and anthracite coal formation of this country, in alternate *strata* in the same territory, and situated in

a quarter of the Union, peculiarly accessible by means of her geographical position and canals and rail roads, she must enjoy almost exclusively, the great revenue that will arise from this source. A large portion of our public debt abroad, was contracted in the purchase of rail road iron, which would have been obtained in this country, if it had been possible to procure it here. It is confidently believed, that the coal and iron fields of this commonwealth, will hereafter furnish a cheap and adequate supply, and if so, there is every reason to think, that the numerous rail roads, in nearly all the states of the Union, that have been either suspended or contemplated, will in a few years go into operation. The business on our public improvements as well as the permanent mass of the wealth of the people of this state, must thus be immeasurably increased.

Much of the time and attention of the legislature is annually occupied in the consideration of private matters, and the interests of the commonwealth are sometimes sacrificed to the importunities of individuals. This has been peculiarly so in cases where the canal commissioners, as well as the board of appraisers, have passed upon the claims of individuals for alleged damages, by reason of the construction of public works, as well as where the canal commissioners and engineers have estimated the amount of work done by contractors. Upon these, as well as upon all other subjects, steadiness of legislation is very desirable, and general rules and general systems should not be made to yield, unless under very peculiar circumstances, indeed, to the *exparte* statements or representations of interested individuals. There is necessarily much evil, and great want of security in much special legislation. The increased population and business of the commonwealth, and the late period in the winter at which the legislature assembles, will, it is hoped, lead to the adoption of such general rules on the subject, as will save the legislature from being continually occupied with minor matters.

The expenditures of the administration of the government of the state, have been much increased of late years, and in no department so much as that of the legislative. While the increase of business and population furnish a sufficient reason for a gradual and corresponding addition to the expenses of the executive, judiciary and treasury departments, it is hard to account for the expenses of the legislature, which have advanced since November, 1835, in a ratio unparallelled in the history of the government. It will be found upon reference to the reports of the treasurer and auditor general, that the expenses of this department, for a number of years prior to November, 1835, were about one hundred thousand dollars, and are now upwards of one hundred and sixty thousand dollars annually. The public good requires a rigid system of retrenchment and reform, which, while it will allow to faithful public servants, an adequate compensation for the time and talents devoted to the public, will lop off all wasteful and unnecessary expenditures in every department. I throw out these suggestions from no wish to dictate to the legisla-

ture, but in a sincere desire to have all alleged abuses investigated in a spirit of candor and a patriotic devotion to the public good, with a view to correction, wherever correction shall be found necessary.

On a candid review of the entire condition of this commonwealth, although we find her laboring under the pressure of an enormous state debt, heightened by all the incidental embarrassments arising from the payment of the interest upon it, and the monetary derangements attending it, that have shaken the credit of this state, and of the sister states, to its foundation, yet there is no cause for despondency or fear. Prudence, discretion and economy, on the part of her legislature, her executive, and her citizens, will in a few years replace her on the solid footing of pecuniary independence. The industry and energy of her people, reaping wealth from her rich fields of agriculture, disemboweling it from her hills and mountains, and transporting it to market on her rail-roads and canals, cannot be shackled with any pecuniary responsibilities that can, for any considerable period, mar her prosperity or retard her march onward to greatness. We have fallen, it is true, on one of those temporary reverses, that come upon all nations in the progress of advancement, when delusive systems of public prosperity explode under the test of their soundness, and from the consequences they produce, leave men in wonder that they lasted so long. It requires, however, but the exercise of a reasonable degree of wisdom, firmness and honesty, in the present crisis, to rescue the affairs of the commonwealth from the difficulties by which they are at present beset, however formidable those untoward circumstances have made them appear. Let all who look upon her with a jealous, or a friendly eye, be told that her ability is ample to meet all her engagements; that the determination of her citizens to do so, corresponds with her ability, and that happen what may, the integrity and fidelity of the people of Pennsylvania, are pledged to make good her contracts with those whose money has constructed her stupendous public improvements, and that the pledge so made shall be scrupulously redeemed.

I cannot close this communication, without expressing the full reliance which I place in the wisdom and intelligence of the legislature —and the great pleasure which it will afford me, to be able to approve and execute those enactments which you will find it necessary to make for advancing the interests and prosperity of our free, beloved and patriotic commonwealth.

DAVID R. PORTER.

HARRISBRG, January 8, 1840.

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Neutralizing agent: Magnesium Oxide
Treatment Date: Dec. 2004

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